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Ratings

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Summary:

Connecticut; Appropriations; General Obligation; General Obligation Equivalent Security; Moral Obligation

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Summary:

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Credit Profile		
US$400.0 mil GO bnds ser 2018E due 09/15/2028		
Long Term Rating	A/Stable	New
US$250.0 mil taxable GO bnds ser 2018A due 09/15/2028		
Long Term Rating	A/Stable	New
US$239.135 mil GO rfdg bnds ser 2018F due 09/15/2028		
Long Term Rating	A/Stable	New
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed

Rationale

S&P Global Ratings has assigned its 'A' rating to the State of Connecticut's $889.135 million general obligation (GO) bonds, series 2018E and 2018F, and taxable GO bonds, series 2018A. At the same time, S&P Global Ratings has affirmed its 'A' rating on approximately $18.3 billion of GO bonds outstanding. In addition, S&P Global Ratings has affirmed its 'A-' rating on state appropriation-backed debt, and its 'BBB' rating on state moral obligation debt. The outlook on all ratings is stable.

The GO rating on Connecticut reflects our view of the following factors:

- The state's high income levels;
- A diverse economy;
- Active monitoring of revenues and expenditures to identify and correct midyear budget gaps, as exemplified by midyear budget adjustments made in fiscal years 2015, 2016, and 2017;
- An increase in budget reserves from a low 1.2% of expenditures at fiscal year-end 2017, to a good 6.2% of expenditures at fiscal year-end 2018;
- Recently implemented bond covenants that for five years will require the state to budget slightly less than forecasted revenue, limit GO debt issuance, and place income tax receipts above the "volatility cap" into reserves; and
- Adequate operating liquidity, despite negative generally accepted accounting principles (GAAP) general fund balances.

Offsetting factors, in our opinion, include:

High debt, high unfunded pension liabilities, and large unfunded other postemployment benefit (OPEB) liabilities, all of which create what we believe are significant and growing fixed-cost pressures that restrain Connecticut's budgetary flexibility, as evidenced by a four-month delay in enacting the fiscal 2018-2019 biennium budget. Should state tax revenue decline, or rise more slowly than currently projected, these large fixed costs will remain an impediment to solving future potential budget gaps. Connecticut had the highest tax-backed debt ratio in our most recent 50-state debt study, and is the only state that has triggered a one-notch rating override reduction in our state rating model due to high debt;

- Recent population declines and slow economic growth, exacerbated by job losses in the state's well-paying financial sector, which is expected to contribute to weak revenue growth over the next several years and lead to difficult budget-balancing decisions beyond the current biennium. Overall, the state has recovered only 81% of the jobs lost since the last recession; and
- A history of cyclical budget performance and uncertainty as to whether the state can maintain fiscal 2018's recent budget reserve increase in light of an operating deficit without one-time money above the state's volatility cap.

The substantial addition to reserves in fiscal 2018 was the result of a $939.3 million general fund operating surplus, or 5.0% of expenditures in fiscal 2018, if including as revenue $1.46 billion of state income tax revenue above Connecticut's volatility cap that the state considers to be of a one-time nature. Revenue above the volatility cap is considered one time due to taxpayer incentives to accelerate capital gains tax into fiscal 2018 as a result of federal tax reform and a federal tax code deadline regarding repatriation of hedge fund profits.

Without this one-time revenue, fiscal 2018 shows an operating deficit of $504.6 million, or 2.7% of expenditures, excluding a small transfer to an OPEB fund.

The revised state budget for fiscal 2019 shows a similar picture--a 2.0% operating surplus with volatility cap revenue and essentially breakeven operations without it.

A key question during the coming year will be establishing how much of the volatility cap revenue is ongoing in order to determine whether or not the state can achieve structural balance in the face of rising fixed costs. Connecticut faces the prospect of a large budget gap to close in the fiscal 2020-2021 biennium in part due to the expiration of a hospital tax, projected increases in municipal aid, contractual increases in pension contributions to phase in actuarial level dollar funding, contractual increases in OPEB funding, and a union contract requiring two years of salary increases beginning in fiscal 2020 combined with a no-layoff provision.

Connecticut enacted a bi-partisan 2018-2019 biennium budget four months late into the fiscal year that began July 1, 2017. The delay arose from a need to close large budget gaps resulting from a combination of weak income tax revenue growth; increased pension, OPEB, and Medicaid costs; and a resistance in the legislature to additional tax increases after several rounds of tax hikes in preceding bienniums.

The state originally projected a fiscal 2018 general fund budget gap of $2.3 billion before budget-closing actions, or a large 13% of originally projected revenue. The 2018 budget gap was closed with the help of a new labor agreement that produced savings in the current biennium, but requires 3.5% wage increases in each of fiscal years 2020 and 2021, as well as prohibiting layoffs for four years and extending nonwage benefit provisions to 2027. Other gap-closing measures included a new hospital provider tax, designed so that hospitals will be largely held harmless for the tax increase after the effect of increased federal reimbursements; cuts in aid to local governments (Connecticut local governments provide kindergarten to grade 12 education); and cuts to higher education. In total, 2018 budget-closing actions involved $1.7 billion of increased revenues and $675 million of decreased expenditures. Connecticut estimates one-time budgeted items in the originally enacted 2018-2019 budget added up to only $173 million in fiscal 2018, or just 0.9% of originally budgeted revenue.

Reductions in subsequent forecasted revenue, and the legislature's restoration of Medicare savings program eligibility to 2017 requirements, have since resulted in an estimated $504.6 million general fund operating deficit in fiscal 2018, or 2.7% of expenditures, not including the transfer of $1.46 billion of one-time income tax (above a $3.15 billion volatility cap) to reserves. The recent deficit estimate has shrunk somewhat from what was forecast a few months ago, but nevertheless represents a reversal from an operating surplus forecast in the original budget.

Recent income tax receipts have come in particularly strong, which the state attributes to strong stock market activity and acceleration of capital gains tax due to federal tax law changes, as well as federal deadlines for repatriation of certain hedge fund profits. Net of $16.1 million teacher OPEB transfers and the $504.6 million operating deficit without the one-time income tax revenue, the state will be adding $939.3 million to its budget reserve in fiscal 2018. This will increase its total budget reserve to $1.15 billion, or a good 6.2% of estimated fiscal 2018 budgetary expenditures.

Connecticut made midbiennium adjustments in May to restore fiscal 2019 to a small $8.2 million operating surplus, in addition to a forecasted transfer of $363.1 million of fiscal 2019 excess income tax above the volatility cap to reserves. The combined budgeted surplus and excess income tax would add an additional $371.1 million to reserves, bringing total reserves up to $1.52 billion, or what we would view as a strong 8.0% of fiscal 2019 budgeted expenditures. However, we believe actual fiscal 2019 results could vary substantially from projections based on Connecticut's historical volatility in income tax receipts.

Outyear deficits may also loom large. At the time of the May 2019 budget revision, the state Office of Fiscal Analysis projected a $2.0 billion structural deficit in fiscal 2020, or a large 10% of projected appropriations. Somewhat less than half of this could be covered by reauthorizing reductions in local aid as in the state's original 2018 budget (before recent aid expansion) and a renewal of the hospital provider tax.

The state calculates $5.5 billion of combined fixed costs for debt service, pension, and OPEB in fiscal 2018, totaling a sizable 29% of originally budgeted general fund expenditures, a slight increase from 28% in 2017, with $91 million of this representing additional deposits into an OPEB trust fund beyond pay-as-you-go OPEB funding. Adding in $2.6 billion of projected 2018 Medicaid payments would bring fixed costs up to 43% of 2018 expenditures. In addition, adding $1.3 billion of other entitlement account spending reported by the state would bring the total 2018 fixed cost percent up to 50%. In our view, fixed costs are high and could potentially squeeze remaining unrestricted budget areas such as local aid, higher education, and to a lesser extent transportation, in the event of future budget gaps.

A pension agreement with the state employee union has helped control fixed cost growth in the near term by smoothing out what would have been a potential spike in pension payments over the next few years and pushing amortization of some unfunded pension liabilities payments into later years. At the same time, it lowered the state employees' retirement system assumed rate of return to a more conservative 6.9% from 8.0% (see "Connecticut's Recent Pension Agreement With Unions Could Be Mildly Positive For The State," published Jan. 23, 2017, on RatingsDirect). The lower return assumption, as well as a drop in the teacher retirement system assumed rate of return to what we view as a still aggressive 8.0% from 8.5%, has had the effect of raising actuarial liabilities, offset somewhat by strong recent annual returns. The state continues to fully fund its pension funds' annual actuarially determined contribution (ADC).

Connecticut has recently made statutory changes in certain financial practices that will more rigidly control spending and bonding, as well as added a spending cap to the state constitution. The state has additionally locked these practices into place for the next five years through recent bond covenants. By using bond covenants, the ability to change these procedures is taken out of the hands of future legislatures. This could help credit quality to the extent structural balance were enhanced and reserve balances were preserved during good economic times, but could potentially squeeze discretionary spending if fixed costs continue to escalate (see "Could Connecticut's Proposed Bond Covenants Lead the Way to a New Financial Management Tool for Other U.S. States?", published March 28, 2018). Overall, we see the restrictions as likely beneficial to credit quality, assuming budget economic forecasting is accurate. The constitutional spending cap limits expenditure growth to the greater of the percent increase in personal income over a five-year period, or the percent increase in inflation over the previous calendar year, unless overridden by the governor and three-fifths of the legislature. The bond covenants include budgeting for only 99.5% of forecast revenues in fiscal 2020, with a phase down to 98.0% of revenue by 2026, transferring certain annual income tax revenue above $3.15 billion (adjusted yearly for economic growth) to the budget reserve, and implementation of various bond caps, unless the governor and three-fifths of the legislature declare a financial emergency. Statutory law also now limits use of the budget reserve to instances when revenues are forecast to decline 1% or more, or if the budget reserve equals 5% or more of current-year appropriations, for the purpose of paying the unfunded past service liability of the employees' and teachers' pension systems in excess of regular contributions. By making budget reserve drawdowns more difficult, balances might more likely be preserved for recessionary periods, which if actually demonstrated could potentially improve credit quality.

On a GAAP basis, the state had a general fund balance deficit of $494 million at the end of fiscal 2017, the last audited year, or 2.6% of expenditures and transfers out, an improvement from a larger negative fund balance of $614 million, or 3.3% at fiscal year-end 2016.

Despite negative GAAP balances, Connecticut projects adequate cash and has no plans for external cash flow financing. Week-ending balances of available cash averaged $2.8 billion for fiscal 2018 and $2.3 billion for fiscal 2017.

The state still ranks first in per capita income at 139% of that of the U.S. in 2017, although down from 144% in 2013. The economy continues to grow, despite population declines during 2014-2016, and a slow 0.3% increase in 2017. Connecticut has regained about 81% of the jobs lost in the last recession. IHS Markit forecasts real gross state product growth of 2.7% in 2018, 2.0% in 2019, and 1.6% in 2020, levels slightly below those of the nation. Job losses in the well-paying financial sector have contributed to revenue weakness, but the remaining above-average proportion of jobs in this sector still represents a wealthy tax base, and financial sector employment started to grow slowly again in 2017. State defense industries could also do well if federal defense spending escalates. Connecticut retains legal authority to make cuts in local aid, although further large cuts might be politically difficult. The state has been making full actuarial pension contributions for seven years, and has been operating with near structural balance, despite the need for multiple midyear budget corrections.

At the same time, we view Connecticut's long-term liabilities as high and growing. We calculate tax-backed debt at 9.4% of personal income at fiscal year-end 2017 (more than one-third higher than our '4' threshold of 7.0%), using recently updated personal income figures. We calculate tax-backed debt per capita at $6,591 (more than one-third higher than our '4' threshold of $3,500), and tax-backed debt service-to-governmental funds spending at 14.1% (more than one-third higher than our '4' threshold of 10.0%). Our other debt ratios include debt-to-gross product (9.1% using the most recent 2016 gross product figure), and the 10-year debt amortization ratio, which is considered good at 65%. Under our state rating criteria, when a majority of our debt ratios are one-third or more above our threshold for a scoring of '4', our criteria adds an extra one-notch downward adjustment to our overall indicative state rating score. The high debt override threshold was met at fiscal year-end 2017, before Connecticut's assumption of the city of Hartford's $540 million of debt, although we expect state debt levels to remain above the override threshold for the near future primarily as a result of the state's debt plans, but also in part due to the assumption of Hartford's debt.

Unfunded pension liabilities are also high at 14% of personal income as of a 2017 Governmental Accounting Standards Board (GASB) 67 basis, while the state's combined pension-funded ratio on a GASB basis is low at 45%, despite annual funding of the ADC. We view Connecticut's combined state employee and teacher unfunded OPEB as high at $20.9 billion, or 8.8% of income, although it has declined and stabilized in recent years due to partial funding of an OPEB trust fund. However, state debt and pension ratios are approaching levels that could each trigger a one-notch downgrade under our state rating criteria.

We believe pending federal tax reform's disallowance of certain state and local tax deductions on federal tax returns could have a potential disproportionate effect on high tax states, such as Connecticut (see "U.S. Tax Reform: Legislation Lays Groundwork For Reshaping The Federal-State Fiscal Relationship," published Dec. 4, 2017).

(For more information on the state GO rating, please see our most recent full GO analysis published March 20, 2018.)

Based on the analytic factors we evaluate for states, on a scale of '1.0' (strongest) to '4.0' (weakest), we have assigned a composite score of '2.3' to Connecticut, indicative of an 'A+' rating. However, we also calculate that a majority of Connecticut's debt ratios in our state scoring criteria now lie more than one-third above the level necessary to score a '4', which triggers a one-notch rating override under our state scoring criteria, for an indicative rating of 'A'.

Outlook

The stable outlook reflects our anticipation that state debt, pension, and OPEB ratios will remain high, but near current levels, during our two-year outlook horizon, while at the same time Connecticut's budget will likely remain near structural balance between ongoing revenue and spending, absent an economic downturn. The state is currently funding its full annual actuarially determined pension contribution, despite its high unfunded pension liabilities, and has used what it has determined to be one-time revenue attributed to income tax above the state's volatility cap to substantially boost its budget reserve. However, we believe the state will have impediments to achieving long-term structural balance, highlighted by Connecticut's four-month delay in enacting a fiscal 2018-2019 biennium budget, political resistance to further budget cuts or tax increases, and large projected outyear budget gaps. Budget constraints have been exacerbated by revenue weakness as the result of slow economic growth; stagnant population; high fixed pension, OPEB, and debt service costs; recent labor agreements that will raise wages and prohibit layoffs; aggressive rate of return assumptions for the state's teacher pension plan; and reduced revenue-raising flexibility after Connecticut instituted substantial tax increases in the past two biennium budgets.

We believe that the majority of our debt ratios will remain at least one-third higher than the threshold triggering our one-notch lower rating in our indicative state scoring model over our two-year outlook horizon. This threshold was triggered at the end of fiscal 2017, before Connecticut's assumption of Hartford's GO debt and subsequent state debt sales.

Should we conclude that substantial income tax revenue above the state's volatility cap will be available on an ongoing basis to help Connecticut regain budget flexibility and maintain good reserves during periods of economic recovery, we could potentially raise our rating or revise our outlook on the state. In this respect, budget projections and deliberations for the upcoming fiscal 2020-2021 biennium may provide an important clue as to the direction of future state credit quality. In addition, if state debt levels decline, we could also raise our rating or revise our outlook on Connecticut. However, should the state project substantial outyear or midyear budget gaps, which result in prolonged budgetary gridlock, large structural imbalances, or weak liquidity, we could revise our outlook downward or lower our rating on Connecticut.

Ratings Detail (As Of July 27, 2018)		
Connecticut Hlth & Educl Facs Auth GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut approp		
Long Term Rating	A-/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed

Ratings Detail (As Of July 27, 2018) (cont.)		
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/A-1/Stable	Affirmed
Connecticut GO		
Long Term Rating	A/Stable	Affirmed
Unenhanced Rating	NR(SPUR)	
Connecticut GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Ratings Detail (As Of July 27, 2018) (cont.)		
Connecticut GO (AGM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Ratings Detail (As Of July 27, 2018) (cont.)		
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SECMKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (BAM) (SEC MKT)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO (FGIC)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Hartford GO		

Ratings Detail (As Of July 27, 2018) (cont.)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Capital City Economic Dev Auth, Connecticut		
Connecticut		
Capital City Economic Dev Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Capital City Economic Dev Auth (Connecticut) GOEQUIV		
Long Term Rating	A/A-1/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth, Connecticut		
Connecticut		
Connecticut Hlth & Educl Facs Auth (Connecticut) APPROP		
Long Term Rating	A-/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) APPROP		
Long Term Rating	A-/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GO		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GO		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hlth & Educl Facs Auth (Connecticut) MORALOB (ASSURED GTY)		
Unenhanced Rating	BBB(SPUR)/Stable	Affirmed
Connecticut Hlth & Ed Fac Auth rev bnds (Connecticut State Univ Sys Issue) ser D-2 dtd 03/15/2002 due 11/01/2020-2022		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut Hlth & Ed Fac Auth (Connecticut) univ issue		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut Hsg Fin Auth, Connecticut		
Connecticut		
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		

Ratings Detail (As Of July 27, 2018) (cont.)		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Hsg Fin Auth spl needs hsg mtg fin prog		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Connecticut Innovations Incorporated, Connecticut		
Connecticut		
Connecticut Innovations Inc (Connecticut) GOEQUIV		
Long Term Rating	A/Stable	Affirmed
Connecticut Dev Auth (Connecticut) GO		
Unenhanced Rating	A(SPUR)/Stable	Affirmed
Hartford, Connecticut		
Connecticut		
Connecticut GO (ASSURED GTY)		
Unenhanced Rating	A(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.